

**DESOTO PARISH  
AMBULANCE SERVICE DISTRICT  
d/b/a DeSoto EMS  
LOGANSPOUT, MANSFIELD, & STONEWALL, LOUISIANA  
ANNUAL FINANCIAL REPORT  
JUNE 30, 2014**

**DESOTO PARISH AMBULANCE SERVICE DISTRICT**  
**d/b/a DeSoto EMS**  
**Logansport, Mansfield, & Stonewall, Louisiana**  
**ANNUAL FINANCIAL STATEMENTS**  
**June 30, 2014**

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# Johnson, Thomas & Cunningham

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### INDEPENDENT AUDITOR'S REPORT

Mr. Joe Magee, Administrator and  
Members of the Board of Commissioners  
DeSoto Parish Ambulance Service District  
P. O. Box 863  
Mansfield, LA 71052

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and major fund of the DeSoto Parish Ambulance Service District (District), a component unit of the DeSoto Parish Police Jury, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

#### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in

the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the District as of June 30, 2014, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

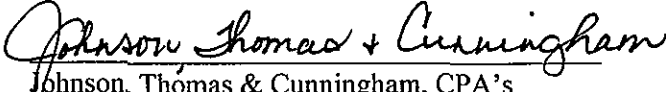
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 10 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is presented for purposes of additional analysis and is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the management's discussion and analysis in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the introductory section because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The budgetary comparison listed as required supplementary information in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The budgetary comparison statement is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2014, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

  
Johnson, Thomas & Cunningham, CPA's

December 22, 2014  
Natchitoches, Louisiana

REQUIRED SUPPLEMENTAL INFORMATION  
(PART I)

# **DESOTO PARISH AMBULANCE SERVICE DISTRICT**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

June 30, 2014

Within this section of the DeSoto Parish Ambulance Service District's (doing business as DeSoto EMS) annual financial report, DeSoto EMS's management is pleased to provide this narrative overview and analysis of the financial activities of the Ambulance District as of and for the fiscal year ended June 30, 2014. The Ambulance District's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section. We encourage readers to consider the information presented here in conjunction with the Ambulance District's basic financial statements and supplementary information provided in this report in assessing the efficiency and effectiveness of our stewardship of public resources.

The DeSoto Parish Ambulance Service District was determined to be a component unit of the DeSoto Parish Policy Jury. The Jury is financially accountable for the district because it appoints or ratifies a voting majority of its board and has the ability to impose its will on them. The accompanying financial statements present information only on the funds maintained by the DeSoto Parish Ambulance Service District.

### **FINANCIAL HIGHLIGHTS**

The DeSoto Parish Ambulance Service District's net position increased by \$2,471,335 or 26%.

The DeSoto Parish Ambulance Service District's total general revenues were \$4,882,898 in 2014 compared to \$4,546,970 in 2013 representing a 7% increase of \$335,928. Of this increase ad valorem taxes increased \$368,699, an 8% increase over 2013.

During the year ended June 30, 2014, the DeSoto Parish Ambulance Service District had total expenses of \$3,273,432 (which includes \$343,935 in depreciation) which is a 9% increase over 2013.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This Management's Discussion and Analysis document introduces the Ambulance District's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The basic financial statements include two kinds of financial statements that present different views of the Ambulance District – Governmental Fund Financial Statements and Government-wide Financial Statements. The Notes to the Financial Statements explain some of the information in the financial statements and provide additional detail. This report also contains additional required supplementary information (budgetary comparison schedule) in addition to the basic financial statements. These components are described below. The Ambulance District maintains one governmental fund, the General Fund.

### **GOVERNMENTAL FUND FINANCIAL STATEMENTS**

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives and to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, governmental fund financial statements focus on the Ambulance District's most significant funds rather than the Ambulance District as a whole.

Governmental funds are reported in the governmental fund financial statements and encompass the same function reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the Ambulance District's

## **DESOTO PARISH AMBULANCE SERVICE DISTRICT**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

June 30, 2014

governmental funds. The governmental fund financial statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and commitment of spendable resources for the short term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to assist in understanding the differences between these two perspectives. The governmental fund financial statements are presented in the first column of the basic financial statements in this report.

#### **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The Ambulance District's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Ambulance District's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting. These statements report all revenues and expenses connected with the year, even if cash has not been received or paid and the statements include all assets of the Ambulance District as well as liabilities (long-term debt). The government-wide financial statements include two statements.

Statement of Net Position. This is the government-wide statement of position presenting information that includes all of the Ambulance District's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Ambulance District is improving or deteriorating. Evaluation of the overall health of the Ambulance District would also extend to other non-financial factors such as diversification of the taxpayer base, in addition to the financial information provided in this report.

Statement of Activities. This reports how the Ambulance District's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the Ambulance District's distinct activities or functions on revenues provided by the Ambulance District's taxpayers.

Currently, the Ambulance District has only governmental activities that provide for personnel services, medical supplies, repairs and maintenance, occupancy expenses, and other costs related to the proper administration of the District's ambulance services. Ambulance fees and ad valorem (property) taxes finance these activities. The government-wide financial statements are presented in the last column of the basic financial statements in this report.

#### **NOTES TO THE BASIC FINANCIAL STATEMENTS**

The accompanying notes to the financial statements provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements.



# DESOTO PARISH AMBULANCE SERVICE DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2014

### SUPPLEMENTARY INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Ambulance District's budget presentations. A budgetary comparison statement is included as "required supplementary information" for the general fund. This statement is a required schedule demonstrating compliance with the adopted and final revised budget.

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the Ambulance District's financial position. The DeSoto Parish Ambulance Service District's total net position changed from a year ago, increasing from \$9,587,887 to \$12,059,222.

#### SUMMARY OF STATEMENT NET POSITION

	Governmental Activities	
	2014	2013
Current and other assets	\$ 7,846,164	\$ 5,700,303
Capital assets	4,298,220	3,966,085
Total assets	\$ 12,144,384	\$ 9,666,388
Current liabilities	\$ 85,162	\$ 78,501
Total liabilities	\$ 85,162	\$ 78,501
Net position:		
Net investment in capital assets	\$ 4,298,220	\$ 3,966,085
Unrestricted	7,761,002	5,621,802
Total net position	\$ 12,059,222	\$ 9,587,887

Net position of the DeSoto Parish Ambulance Service District's governmental activities increased by \$2,471,335 or 26%. The District has no restrictions on its net position.

A portion of the Ambulance District's net position, \$4,298,220 (36%) reflects its investment in capital assets such as ambulances, buildings, medical and communication equipment, and software. The Ambulance District uses these capital assets to provide the services to the citizens of the parish; consequently, these assets are not available for future spending. There is no outstanding debt related to these assets.

The remaining and largest portion of the Ambulance District's net position \$7,761,002 (64%) at June 30, 2014, is unrestricted and may be used to meet the Ambulance District's ongoing obligations to citizens and creditors at the discretion of the Board of Commissioners. These unrestricted assets consists primarily of cash, demand and time deposits, and ambulance service and ad valorem taxes receivables.

## DESOTO PARISH AMBULANCE SERVICE DISTRICT

### MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2014

The following table provides a summary of the Ambulance District's changes in net position:

#### SUMMARY OF STATEMENTS OF ACTIVITIES

	Governmental Activities	
	2014	2013
Revenues		
Program revenues		
Charges for services	\$ 851,869	\$ 851,060
Local grant & contributions	10,000	17,090
General revenues		
Ad valorem taxes	4,865,499	4,496,800
Miscellaneous revenues	10,910	30,656
Loss on sale/donation of assets	(17,676)	-
Interest income	24,165	19,514
Total revenues	<u>5,744,767</u>	<u>5,415,120</u>
Expenses		
Public Safety-emergency medical services	3,157,962	2,903,904
Administrative	115,470	93,421
Total expenses	<u>3,273,432</u>	<u>2,997,325</u>
Increases (Decreases) in net position	2,471,335	2,417,795
Net Position Beginning	9,587,887	7,170,092
Net Position Ending	<u>\$ 12,059,222</u>	<u>\$ 9,587,887</u>

Total revenues increased \$329,647 from total revenues in the year ended June 30, 2013 of \$5,415,120 to total revenues of \$5,744,767 in the year ended June 30, 2014.

The Ambulance District is heavily reliant on ad valorem (property) taxes to support its operations. Property taxes provided 85% of the total revenues. Ad valorem taxes increased \$368,699.

Charges for services are for reimbursements from insurance companies—primarily Medicare and Medicaid. The ambulance service is provided at no out of pocket cost to the parish residents. Charges for services provided 15% of the total revenue for the current year compared to 16% of the total revenue for the prior year. These charges increased \$809 (0.095%) from \$851,060 in June 30, 2013, to \$851,869 in the year ended June 30, 2014.

During the year ended June 30, 2014, total expenses of the Ambulance District increased \$276,107, up 9% over the previous year.

**Government fund analysis.** As the Ambulance District completed the year, its general fund reported a fund balance of \$7,761,002, which is a 38% increase over last year's fund balance of \$5,621,802. Expenditures decreased from \$4,024,025 for the year ended 2013 to \$3,631,243 for 2014.

# DESOTO PARISH AMBULANCE SERVICE DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2014

### BUDGETARY HIGHLIGHTS

The Ambulance District adopted a budget for its General Fund for the year ended June 30, 2014. The budget was not amended during the year. The Ambulance District's budgetary comparison is presented as required supplementary information. Highlights for the year are as follows:

- Revenues received were more than the budgeted amounts due to a higher amount of assessed ad valorem taxes received.
- Expenditure budget amounts were 40% lower than anticipated due to less spent on capital outlays and salaries than expected.

### CAPITAL ASSETS AND DEBT ADMINISTRATION

#### Capital Assets

At the end of June 30, 2014, the DeSoto Parish Ambulance Service District had invested \$4,298,220 in capital assets as follows:

#### Capital Assets at Year End (Net of Depreciation)

	Governmental Activities	
	2014	2013
Ambulances	\$ 654,895	\$ 634,649
Medical equipment	290,926	233,870
Communications equipment	20,834	22,186
Other equipment	37,584	36,324
Furniture and fixtures	27,504	28,186
Building and Land	3,169,670	3,005,912
Leasehold improvements	2,106	2,310
Billing/Payroll software	11,247	2,648
Construction in progress	83,454	-
Total	<u>\$ 4,298,220</u>	<u>\$ 3,966,085</u>

The construction of a new Station 4 in Mansfield, Louisiana, was construction in progress at the year ended June 30, 2014, with costs incurred during the year of \$130,493 for the purchase of land and \$83,454 spent on the initial phase of the building. Land was purchased in Stonewall, Louisiana for \$125,975 for future relocation of Station 3. One new ambulance was purchased for \$188,051, and a new administrator's SUV was acquired for \$25,796. Billing software was purchased for \$10,000, allowing the District to transition from an outdated DOS system. New medical equipment- two LifePak 15, for \$33,512; four intubation cameras, for \$11,966; a new stretcher and power load system for the new medic, for \$31,539; and six retrofit stretcher kits, for \$12,083 - were purchased. New communications equipment purchased included two Toughbook laptops for \$7,238. An ice machine was purchased for Station 3. The District also bought a lawn tractor for \$7,623 and ID badge maker for \$1,548. More detailed information about the capital assets are presented in Note 4 to the financial statements.

#### Debt

At year end, the Ambulance District had no long-term debt obligations.

## **DESOTO PARISH AMBULANCE SERVICE DISTRICT**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

June 30, 2014

#### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS**

The DeSoto Parish Ambulance Service District's management considered many factors when setting the fiscal year ending June 30, 2015, budget. Revenue amounts available for appropriation in the governmental funds are expected to be slightly higher than last year due to an increase in ad valorem taxes.

#### **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens and taxpayers with a general overview of the finances for those funds maintained by the DeSoto Parish Ambulance Service District and to show the DeSoto Parish Ambulance Service District's accountability for the money it receives. If there are any questions about this report or additional financial information is needed, contact the Administrator, Joe Magee, at 231 EMS Circle, Mansfield, Louisiana, 71052.

## BASIC FINANCIAL STATEMENTS

**DESOTO PARISH AMBULANCE SERVICE DISTRICT**  
**d/b/a DeSoto EMS**

**GOVERNMENTAL FUND BALANCE SHEET / STATEMENT OF NET POSITION**  
June 30, 2014

	Governmental Fund Financial Statements		Government-wide Statements
	<u>Balance Sheet</u>		<u>Governmental Activities Statement of Net Position</u>
	General Fund	Adjustments	
<b>ASSETS</b>			
Cash and cash equivalents	\$ 7,514,706	\$ -	\$ 7,514,706
Ambulance service receivables, net of allowance for uncollectibles	307,172	-	307,172
Ad valorem taxes receivable	7,843	-	7,843
Other receivables	354	-	354
Prepaid insurance	16,089	-	16,089
Capital assets (net)	-	4,298,220	4,298,220
<b>TOTAL ASSETS</b>	<u>\$ 7,846,164</u>	<u>4,298,220</u>	<u>12,144,384</u>
<b>LIABILITIES</b>			
Accounts, salaries and other payables	\$ 85,162	-	85,162
<b>TOTAL LIABILITIES</b>	<u>85,162</u>	<u>-</u>	<u>85,162</u>
<b>FUND BALANCE / NET POSITION</b>			
Fund Balance:			
Nonspendable:			
Prepaid expenses	16,089	(16,089)	-
Unassigned	7,744,913	(7,744,913)	-
<b>TOTAL FUND BALANCE</b>	<u>7,761,002</u>	<u>(7,761,002)</u>	<u>-</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 7,846,164</u>	<u>-</u>	
Net Position:			
Net investment in capital assets		4,298,220	4,298,220
Unrestricted		7,761,002	7,761,002
<b>TOTAL NET POSITION</b>		<u>\$ -</u>	<u>\$ 12,059,222</u>

**RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO  
THE GOVERNMENT- WIDE STATEMENT OF NET POSITION**

<b>Total Fund Balance, Governmental Fund</b>	<b>\$ 7,761,002</b>
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in fund financial statements, but are reported in the governmental activities of the Statement of Net Position	
Cost of capital assets	5,662,991
Less accumulated depreciation	<u>(1,364,771)</u>
<b>Net Position of Governmental Activities in the Statement of Net Position</b>	<b>\$ <u>12,059,222</u></b>

The accompanying notes are an integral part of this statement.

**DESOTO PARISH AMBULANCE SERVICE DISTRICT**  
**d/b/a DeSoto EMS**

**STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE /**  
**STATEMENT OF ACTIVITIES**  
For the Year Ended June 30, 2014

	<u>Governmental Fund Financial Statements</u>		<u>Government-wide Statements</u>	
	<u>STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE</u>			
<b>EXPENDITURES / EXPENSES</b>	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>	
Current:				
Public Safety:				
Personal services & related benefits	\$ 2,520,504	\$ -	\$ 2,520,504	
Operations	298,598	-	298,598	
Depreciation	-	338,860	338,860	
Administrative				
Administrative	72,015	-	72,015	
Occupancy	38,380	-	38,380	
Depreciation	-	5,075	5,075	
Capital outlay	701,746	(701,746)	-	
<b>TOTAL EXPENDITURES / EXPENSES</b>	<u>3,631,243</u>	<u>(357,811)</u>	<u>3,273,432</u>	
<b>PROGRAM REVENUES</b>				
Charges for services	851,869	-	851,869	
Capital grants and contributions	10,000	-	10,000	
<b>TOTAL PROGRAM REVENUES</b>	<u>861,869</u>	<u>-</u>	<u>861,869</u>	
<b>NET PROGRAM EXPENSE</b>	2,769,374	(357,811)	2,411,563	
<b>GENERAL REVENUES</b>				
Ad valorem taxes	4,865,499	-	4,865,499	
Interest earnings	24,165	-	24,165	
Other revenue	10,910	-	10,910	
<b>TOTAL GENERAL REVENUES</b>	<u>4,900,574</u>	<u>-</u>	<u>4,900,574</u>	
<b>Excess of Revenues over Expenditures / Change in Net Position</b>	2,131,200	357,811	2,489,011	
<b>Other Financing Sources (Uses)</b>				
Sale of Assets/ Gain (loss) on sale of assets	8,000	(11,222)	(3,222)	
Loss on donated and abandoned assets		(14,454)	(14,454)	
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>8,000</u>	<u>(25,676)</u>	<u>(17,676)</u>	
<b>Excess of Revenues and other Financing Sources over Expenditures / Change in Net Position</b>	2,139,200	332,135	2,471,335	
<b>FUND BALANCE / NET POSITION</b>				
Beginning of the year	5,621,802		9,587,887	
End of the year	\$ <u>7,761,002</u> \$		\$ <u>12,059,222</u>	

The accompanying notes are an integral part of this statement.

**DESOTO PARISH AMBULANCE SERVICE DISTRICT**  
**d/b/a DeSoto EMS**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2014**

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in Fund Balance, Governmental Fund	\$ 2,139,200
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation of (\$343,935) is less than the capital outlays (\$701,746) in the current period.	357,811
In the Statement of Activities, the loss of the disposal of fixed assets is reported; whereas, in the governmental funds, the proceeds from the disposal increase financial resources. This amount is the sum of the proceeds (\$8,000) and the loss on the sale, donation and abandonment of fixed assets (\$17,676).	<u>(25,676)</u>
<i>Change in Net Position of Governmental Activities</i>	<u><u>\$ 2,471,335</u></u>



## NOTES TO THE FINANCIAL STATEMENTS

**DESOTO PARISH AMBULANCE SERVICE DISTRICT**  
**d/b/a DeSoto EMS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2014

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## **INTRODUCTION**

The Desoto Parish Ambulance Service District was created by a parish resolution on July 12, 2000. The District is comprised of all the territory located within the Parish of DeSoto. The District does business as DeSoto EMS. The District is governed by a Board of Commissioners who are appointed by the DeSoto Parish Police Jury. The Board of Commissioners received no compensation during 2013-2014. The purpose of the District is to provide ambulance service for the transportation of persons which necessitate ambulance care and for providing related services. The DeSoto EMS averages fifty-three employees.

### **1. Summary of Significant Accounting Policies**

The accompanying basic financial statements of the DeSoto Parish Ambulance Service District have been prepared in conformity with governmental accounting principles generally accepted (GAAP) in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements- and Management's Discussion and Analysis – for State and Local Governments*, issued in June 1999; Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*; and Statement 65, *Items Previously Reported as Assets and Liabilities*. Such accounting and reporting policies also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the *Louisiana Governmental Audit Guide*.

The more significant accounting policies established in GAAP and used by the DeSoto Parish Ambulance Service District are discussed below.

#### **A. Reporting Entity**

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the DeSoto Parish Ambulance Service District is considered a component unit of the DeSoto Parish Policy Jury. The Policy Jury is financially accountable for the District because it appoints or ratifies a voting majority of the board and has the ability to impose its will on them.

The accompanying financial statements present information only on the funds maintained by the District and do not present information on the Policy Jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

#### **B. Measurement Focus / Basis of Accounting**

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" revenues or expenditures, expenses, and transfers—and assets, deferred outflows of resources, liabilities, and deferred inflows of resources—are recognized in the accounts and reported in the financial statements.

### **Government-Wide Financial Statements**

The DeSoto Parish Ambulance Service District's basic financial statements include both government-wide (reporting the funds maintained by the DeSoto Parish Ambulance Service District as a whole) and fund financial statements (reporting the DeSoto Parish Ambulance Service District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The DeSoto Parish Ambulance Service District's general fund is classified as governmental activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues,

**DESOTO PARISH AMBULANCE SERVICE DISTRICT**  
**d/b/a DeSoto EMS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2014

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**1. Summary of Significant Accounting Policies (continued)**

**B. Measurement Focus / Basis of Accounting (continued)**

are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The DeSoto Parish Ambulance Service District does not have any business-type activities.

In the government-wide Statement of Net Position, the governmental activities column is presented on a consolidated basis and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables. The DeSoto Parish Ambulance Service District's net position is reported in two parts – net investment in capital assets, and unrestricted net position.

The government-wide Statement of Activities reports both the gross and net cost of each of the DeSoto Parish Ambulance Service District's functions. The functions are supported by program revenues and general government revenues. The Statement of Activities reduces gross expenses (including depreciation) by any related program revenues, which must be directly associated with the function. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Program revenues of the District consist of ambulance fees billed to insurance companies and individuals. The net costs (by function) are normally covered by general revenues.

**Fund Financial Statements**

The accounts of the Ambulance Service District are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds maintained is consistent with legal and managerial requirements.

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income.

Governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Amounts reported as program revenues include 1) charges to customer applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. General revenues include all taxes, interest earnings, and other revenue.

**DESOTO PARISH AMBULANCE SERVICE DISTRICT**  
**d/b/a DeSoto EMS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2014**

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**1. Summary of Significant Accounting Policies (continued)**

**B. Measurement Focus / Basis of Accounting (continued)**

A fund is considered major if it is the primary operating fund of the entity. The Ambulance Service District maintains only one governmental fund.

The General Fund is the primary operating fund of the Ambulance Service District. It is used to account for and report all financial resources.

**C. Cash, Cash Equivalents, and Investments**

Cash includes amounts in interest-bearing demand deposits, and short-term timed deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, or money market accounts with state banks organized under Louisiana law or any other state of the United States or under the laws of the United States.

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are carried at cost which approximates market.

**D. Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**E. Capital Assets**

Capital assets purchased or acquired with an original cost of \$1,000 or more are reported at historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	25 - 40 years
Ambulances	5 - 7 years
Equipment	5 - 10 years

**F. Compensated Absences**

After one year of service, all regular, full-time employees are granted three 24-hour shifts or 42 hours (dispatch) of vacation leave each year. After two years the employees are granted six 24-hour shifts or 60 hours (dispatch) of paid vacation. With 5 years-plus continuous service with the Desoto Parish Ambulance Service District, employees are granted ten 24-hour shifts or 84 hours (dispatch) of vacation each year. There is no carryover of vacation time from one calendar year to the next. Sick leave will accumulate for full-time employees at a rate of 4 hours per pay period to be used after one year of service. Accumulated sick leave is forfeited upon separation of employment; therefore under GASB Statement No. 16 guidelines compensated absences for sick pay are not recorded in the financial statements.

**DESOTO PARISH AMBULANCE SERVICE DISTRICT**  
**d/b/a DeSoto EMS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2014

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**1. Summary of Significant Accounting Policies (continued)**

**G. Risk Management**

The DeSoto Parish Ambulance Service District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, and injuries to employees. To handle such risks of loss, the EMS maintains commercial insurance policies covering: automobile liability, medical payments, uninsured motorist and collision, health insurance providing 100 percent coverage for any employee injured while on the job; and surety bond coverage. No claims were paid on any of the policies during the past three years that exceeded the policies' coverage amounts. In addition to the above policies, the District also maintains a liability insurance policy with the Louisiana Ambulance Service Districts' Risk Management Program. No claims have been paid on the policy during the past three years nor is the District aware of any unfilled claims.

**H. Fund Equity**

**NET POSITION**

In the government-wide financial statements equity (the difference between assets and liabilities) is classified as net position and is reported in three components:

1. *Net investment in capital assets*—consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. *Restricted net position*—consists of net position with constraints placed on the use by a) external groups, such as creditors, grantors, or laws or regulations of other government; or b) law through constitutional provisions or enabling legislation.
3. *Unrestricted net position*—consists of all other assets that do not meet the definition of "restricted" or "net investment in capital assets".

When an expense is incurred for the purposes for which both restricted and unrestricted net position is available, management applies unrestricted net position first, unless a determination is made to use restricted net position. The policy concerning which to apply first varies with the intended use and legal requirements. This decision is typically made by management at incurrence of the expense.

**FUND BALANCES**

As required by GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, this statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- *Nonspendable* – Amounts that are not in spendable form (such as prepaid expenses) because they are legally or contractually required to be maintained intact.
- *Restricted* – Amounts constrained to specific purposes by their providers (such as grantors or higher levels of government).

**DESOTO PARISH AMBULANCE SERVICE DISTRICT**  
**d/b/a DeSoto EMS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2014

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**1. Summary of Significant Accounting Policies (continued)**

**H. Fund Equity (continued)**

- *Committed* – Amounts which are subject to limitations or constraints to specific purposes the Ambulance District imposes upon itself at its highest level of decision making, the board of directors. These amounts cannot be used for any other purpose unless the Ambulance District takes the same highest level of action to remove or change the constraint.
- *Assigned* – Amounts neither restricted or committed for which the Ambulance District intends to use for a specific purpose.
- *Unassigned* – Amounts that are available for any purpose.

The District would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

**I. Use of Estimates**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Actual results could differ from those estimates.

**2. Cash and Cash Equivalents**

At June 30, 2014, the District has cash and cash equivalents (book balances) totaling \$7,514,706 in interest-bearing demand and short-term timed deposits.

The cash and cash equivalents of the DeSoto EMS are subject to the following risks:

*Custodial Credit Risk:* Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the EMS that the fiscal agent bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the EMS's name.

At June 30, 2014, the District has \$7,612,781 in deposits (collected bank balances). These deposits are secured from risk by \$1,000,000 of federal deposit insurance and pledged securities held by the custodial bank in the name of the fiscal agent bank with a total market value of \$9,511,610 (GASB Category 3).

*Interest Rate Risk.* This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity is its fair value to changes in market interest rates. The EMS does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**DESOTO PARISH AMBULANCE SERVICE DISTRICT**  
**d/b/a DeSoto EMS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2014

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**2. Cash and Cash Equivalents (continued)**

However, as a means of offsetting exposure to interest rate risk, the EMS diversifies its investments by security type and institution.

**3. Levied Taxes**

The DeSoto Parish Ambulance Service District was authorized an ad valorem tax millage of 7.0 mills and levied taxes of 7.0 mills for 2013. This tax is for the purpose of paying the cost of providing ambulance service in the parish and is for a period of ten years beginning with the year 2009 and ending with the year 2018.

The property tax calendar is as follows:

Assessment date	January 1, 2013
Levy date	June 30, 2013
Tax bills mailed	October 15, 2013
Total taxes due	December 31, 2013
Penalties & interest added	January 31, 2014
Tax sale	May 15, 2014

Total assessed value was \$735,384,774 in 2013. Louisiana state law exempts the first \$75,000 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was a total of \$40,313,482 of the assessed value in 2013. The EMS adjusted ad valorem tax revenue was \$4,865,499.

The following are the principal taxpayers for the parish (2013 amounts):

Taxpayer	Type of Business	2013 Taxable Valuation	2013 Assessed Tax	Percentage of Total Assessed Valuation
Exco Partners Operating	Oil & Gas	\$73,747,064	\$516,229	10.61%
Chesapeake Operating	Oil & Gas	\$57,899,439	\$405,296	8.33%
EP Energy E&P Company LLC	Oil & Gas	\$42,399,349	\$296,795	6.10%
International Paper Co.	Manufacturing	\$41,287,235	\$289,011	5.94%
Acadian Gas Pipeline	Oil & Gas	\$27,455,316	\$192,187	3.95%
Louisiana Midstream Gas	Oil & Gas	\$26,551,723	\$185,862	3.82%
Southwestern Electric	Utility	\$23,145,874	\$162,021	3.33%
Enterprise Gathering LLC	Oil & Gas	\$20,504,603	\$143,532	2.95%
Cleco Power, LLC	Utility	\$19,531,503	\$136,721	2.81%
Comstock Oil & Gas	Oil & Gas	\$19,183,968	\$134,288	2.76%
Total		<u>\$351,706,074</u>	<u>\$2,461,942</u>	<u>50.60%</u>

Ad valorem taxes receivable at June 30, 2014, is \$7,843.

**DESOTO PARISH AMBULANCE SERVICE DISTRICT**  
**d/b/a DeSoto EMS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2014

**4. Capital Assets**

Capital asset activity for the year ended June 30, 2014, was as follows:

	6/30/2013	Additions	Reclassifications/ Deductions	6/30/2014
Capital assets, not depreciated				
Construction in Progress	\$ -	\$ 83,454	\$ -	\$ 83,454
Land	148,254	256,468	-	404,722
Capital assets, being depreciated				
Ambulances & Vehicles	\$ 1,406,253	\$ 213,847	\$ (91,470)	\$ 1,528,630
Buildings	2,952,929	-	(21,351)	2,931,578
Furniture and Fixtures	38,902	4,688	-	43,590
Medical & Communication Equipment	539,797	133,289	(24,783)	648,303
Leasehold improvements	5,050	-	-	5,050
Billing/payroll software	14,399	10,000	(6,735)	17,664
Total capital assets	\$ 5,105,584	\$ 701,746	\$ (144,339)	\$ 5,662,991
Less accumulated depreciation for				
Ambulances & Vehicles	\$ 771,604	\$ 193,600	\$ (91,470)	\$ 873,734
Buildings	95,273	78,255	(6,898)	166,630
Furniture and Fixtures	10,716	5,370	-	16,086
Medical & Communication Equipment	247,417	65,103	(13,560)	298,960
Leasehold improvements	2,739	205	-	2,944
Billing software	11,750	1,402	(6,735)	6,417
Total accumulated depreciation	1,139,499	\$ 343,935	\$ (118,663)	1,364,771
Total capital assets, net	\$ 3,966,085			\$ 4,298,220

Depreciation expense for the year ended June 30, 2014, was \$343,935. In the Statement of Activities, \$338,860 was included in public safety and \$5,075 was in administration.

**5. Net Ambulance Service Charges/Receivables**

The receivable consists of \$307,172 due from insurance and Medicare/Medicaid for ambulance services provided.

Ambulance service charge receivable	\$ 737,816
Allowance for doubtful accounts	(430,644)
Net ambulance service charges receivable	\$ 307,172

The insurance companies only pay a percentage of the billings and the unpaid balance is recorded as contractual adjustments. Write-offs consist of DeSoto Parish private pay not required to pay for services and out-of-parish residents who have been identified as nonpaying.

**6. Pension Plan**

*Plan description.* Full-time employees (approximately 24) of the DeSoto Parish Ambulance Service District are members of the Parochial Employees Retirement System of Louisiana (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the District are members of Plan A.



**DESOTO PARISH AMBULANCE SERVICE DISTRICT**  
**d/b/a DeSoto EMS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2014

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**6. Pension Plan (continued)**

All permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds are eligible to participate in the System. Under Plan A, employees who retire at or after age 67 with at least 7 years of creditable service, at or after age 62 with at least 10 years of creditable service, or at or after age 55 with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only before January 1, 1980, the benefit is equal to 1% of final average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1980. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619 or by calling (225) 928-1361.

*Funding Policy.* Under Plan A, members are required by state statute to contribute 9.5% of their annual covered salary and the District is required to contribute at an actuarially determined rate, currently 16.00% of annual covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the District are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation for the prior fiscal year. The District was accepted into the Plan on January 1, 2003. The District's contributions for the years ending June 30, 2014, 2013 and 2012 were \$231,061, \$196,097, and \$166,310, respectively, equal to the required contributions for each year.

**7. Litigation and Claims**

At June 30, 2014, the Desoto Parish Ambulance Service District was not involved in any litigation nor was aware of any unasserted claims.

**8. Compensation Paid Board Members**

The Board members were not compensated during the year ended June 30, 2014.

**9. Subsequent Events**

Management has performed an evaluation of the DeSoto EMS's activities through December 22, 2014, and has concluded that there are not significant events requiring recognition or disclosure through that date and time these financial statements were available to be issued.

REQUIRED SUPPLEMENTAL INFORMATION  
(PART II)

**DESOTO PARISH AMBULANCE SERVICE DISTRICT**  
**d/b/a DeSoto EMS**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Revenues</b>				
Charges for services	650,000	\$ 650,000	\$ 851,869	\$ 201,869
Grants and contributions	-	-	10,000	10,000
Ad valorem taxes	4,400,000	4,400,000	4,865,499	465,499
Interest earnings	4,800	4,800	24,165	19,365
Sale of assets	-	-	8,000	8,000
Other revenue	26,000	26,000	10,910	(15,090)
Total Revenues	<u>5,080,800</u>	<u>5,080,800</u>	<u>5,770,443</u>	<u>689,643</u>
<b>Expenditures</b>				
Administrative	82,050	82,050	72,015	10,035
Personal services & related benefits	2,814,000	2,814,000	2,520,504	293,496
Operations	448,800	448,800	298,598	150,202
Occupancy	57,000	57,000	38,380	18,620
Capital outlay	2,665,000	2,665,000	701,746	1,963,254
Total Expenditures	<u>6,066,850</u>	<u>6,066,850</u>	<u>3,631,243</u>	<u>2,435,607</u>
<b>Excess (deficiency) of revenues over expenditures</b>	(986,050)	(986,050)	2,139,200	3,125,250
<b>FUND BALANCE</b>				
Beginning of the year	5,621,802	5,621,802	5,621,802	-
End of the year	<u>\$ 4,635,752</u>	<u>\$ 4,635,752</u>	<u>\$ 7,761,002</u>	<u>\$ 3,125,250</u>

Supplemental schedule. For purposes of additional analysis  
The accompanying notes are an integral part of the financial statements.  
See auditor's report.

## **DESOTO PARISH AMBULANCE SERVICE DISTRICT**

### **NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

As of and for the Year Ended June 30, 2014

#### **Budgetary Information**

The Ambulance District's budget is prepared in accordance with accounting principles generally accepted in the United States of America.

The Louisiana Local Government Budget Act provides that "the total proposed expenditures shall not exceed the total of estimated funds available for the ensuing year." The "total estimated funds available" is the sum of the respective estimated fund balances at the beginning of the year and the anticipated revenues for the current year.

Expenditures may not legally exceed appropriations at the fund level. Appropriations that are not expended lapse at year-end. The budget was not amended during the year. The budget comparison schedule presents the original adopted budget.

Budgeted revenues do not exceed actual revenues. Actual expenditures do not exceed budgeted expenditures. The Ambulance District is in compliance with the Louisiana Local Government Budget Act.

The District uses the following budget practices:

A budget for the ensuing year is prepared prior to June 30 of each year and is made available for public inspection at least fifteen days prior to the beginning of each fiscal year. The proposed budget is prepared on the modified accrual basis of accounting. The budget is established and controlled by the board of commissioners at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended. All changes in the budget must be approved by the board of commissioners.

## OTHER REPORTS

# Johnson, Thomas & Cunningham

## Certified Public Accountants

Eddie G. Johnson, CPA – A Professional Corporation (1927-1996)

Mark D. Thomas, CPA – A Professional Corporation  
Roger M. Cunningham, CPA – A Professional Corporation  
Jessica H. Broadway, CPA – A Professional Corporation  
Ryan E. Todtenbier, CPA – A Professional Corporation

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### INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Mr. Joe Magee, Administrator  
DeSoto Parish Ambulance Service District  
P. O. Box 863  
Mansfield, LA 71052

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, the financial statements of the governmental activities and major fund as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the DeSoto Parish Ambulance Service District's (District) basic financial statements and have issued our report thereon dated December 22, 2014.

#### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

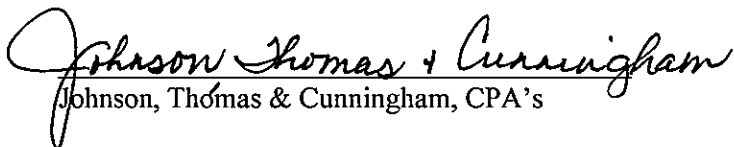
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. Under Louisiana Revised Statute 25:513, this report is distributed by the Louisiana Legislative Auditor as a public document.



Johnson, Thomas & Cunningham, CPA's

December 22, 2014  
Natchitoches, Louisiana

DeSoto Parish Ambulance Service District  
d/b/a DeSoto EMS  
Schedule of Audit Results  
Year Ended June 30, 2014

I. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the financial statements of the DeSoto Parish Ambulance Service District.
2. There were no significant deficiencies noted in internal control.
3. The audit disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

II. FINDINGS IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

None.

III. Prior Year Findings

None.